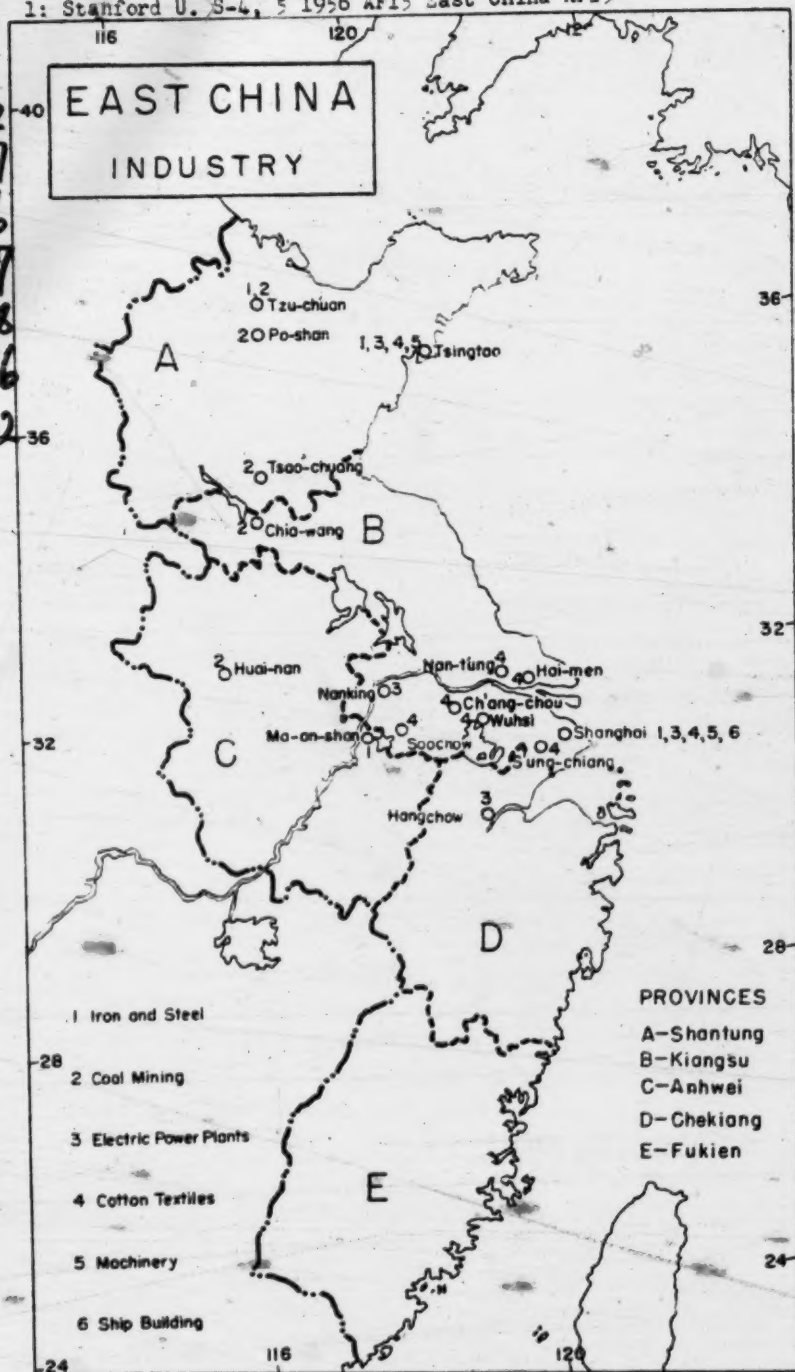


1: Stanford U. S-4, 5 1956 AF15 East China AF15

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[Face p. 769(a)]

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Among the total 892 ships, 251 were government-owned and 641 were privately owned. The Nationalist Government managed to save most of the government-owned ships at the time of the evacuation of the Mainland in 1949. It was estimated that less than 20 per cent of the shipping tonnage of the government-owned China Merchant Steamship Company was left to the Communists.¹² The Communists made substantial recovery during 1950-54. Of the dozen dockyards in East China, the Shanghai Dockyard, which has been enlarged, is most up-to-date. The total number of workers employed increased from 700 in 1949 to 2,500 in 1952.¹³ From 1949-52, all the dockyards in the East China Region are reported to have manufactured 200 steamers of various sizes, including 24 tugboats of 300 hp. and 48 tugboats of 100 hp.¹⁴ Further progress in

12. Ching-chi Chou-pao [Economic Weekly], Shanghai, Jan., 1950, Vol. X, No. 1, pp. 7-8.

13. Fei-ch'ü Ti Hang-yün Chiao-t'ung [Navigation in Communist China], Taipei, The Sixth Section, Central Committee, Nationalist Party, Part I, 1953, pp. 16-17.

14. Ibid.

- 396 ship-building probably has been made since 1952. For example, the Chiangnan Shipbuilding Company completed a river steamer for the Minsheng Shipping Company in March 1954.¹⁵ No statistical data on water transportation in East China is available for comparison.

502 The adoption of the "single-file towing" method suggested by Soviet experts has increased both the speed and the volume of water transport on the lower reaches of the Yangtze River. The Yangtze Navigation Administration announced that from March to December 1952, the volume of freight traffic was increased by several hundred-thousand tons over that reported a year previously. A considerable reduction of transport cost in the section between Shanghai and Yü-hsi-k'ou was also reported. 505 The tugboats of the East China Shipping Company pull approximately 24.2 tons of freight per hp. by using the "single-file towing" method as against 7 tons per hp. by the old method.¹⁶ Because it is cheaper to ship by water, the Communists have reduced freight rates on the inland waterways in the East China Region. Freight rates for ten daily necessities shipped

15. Ching-chi Tao-pao [Economic Bulletin], Hong Kong, June 14, 1954, No. 372, p. 30.

16. Navigation in Communist China, Part II, p. 16.

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and public utilities industries, and relatively smaller-scale production in the paper-printing, chemical, metal working, wood working, leather-rubber, and scientific-instruments-jewellers industries. 471

For the Chinese Municipality

<i>Indus.</i>	<i>Number of Factories</i>	<i>Number of Workers</i>
textiles	690	73,448
vehicles (including boats)	46	50,472
food, drink, and tobacco	84	32,379
clothing	344	16,621
machinery	720	16,708
rubber and leather	78	11,845
chemical (including soap, matches and industrial chems.)	121	7,426
power generating	8	5,267
wood working	25	4,101
brick, tile, cement and glass	61	3,370
iron works	169	3,224
building materials	31	1,796
scientific apparatus and jewellery	72	1,779
furniture	46	(no figures)
others	181	17,023
Totals	2676	245,664

Machinery is high on this list also, but the figures show an average of only 23 workers per factory producing machinery. The relatively high place of vehicles and the apparently large scale of production in this industry are presumably accounted for by the two shipyards attached to the Kiangnan Arsenal and by the five foreign-owned shipyards on the right bank of the river.⁶ Power generating is necessarily a large-scale industry, but it may be doubted whether six of the eight plants listed here are independent establishments rather than adjuncts, and particularly whether as many as 5,267 workers are employed directly in this industry or whether at least half of this figure represents auxiliary labor outside the plants themselves, such as linesmen, service men, etc. [396] • [377]

The relative importance of the other industries listed here is about the same as listed for the Settlement, despite slight differences

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The reason for the absence of a steel industry in China, or in Shanghai, was the inability of the industry to meet the price of foreign imports. China's total iron ore resources are not inconsiderable, but in the Yangtze basin, where most of the production attempts have been centered, the ore deposits are small and scattered so that their exploitation imposes high costs. Small deposits of coal are also found in scattered localities along the lower Yangtze, but the combined costs of mining and of transport to production centers were too high to permit economic iron or steel making.²⁴ In the case of Shanghai, not only did these factors operate despite its water connections with the ore and coal deposits along the Yangtze, but as a seaport it could not produce iron or steel from domestic or foreign ore at anything like the price of seaborne imports of foreign iron and steel. Fortunately its maritime connections enabled it to draw on foreign sources for iron and steel and to produce finished metal goods at a cost which still allowed them to compete in the China market with foreign imports of finished metal goods.

Among the large metal-using industries, the vehicle plants (aside from the shipyards of the Kiangnan Arsenal before 1932) imported almost all of their finished steel plates, wire, rods, tubing, and other semi-finished steel products, and most of their cast iron, directly, or indirectly as recastings from iron and steel scrap. The same was true of the plants producing machinery, with their large use of more highly-finished steel products and special steels.²⁵ The nine large-scale modern shipyards produced primarily river and small coastal craft, the largest ship built up to 1932 being of 11,000 net tons. The steel, production machinery, and most of the engines installed in these ships were imported, and yet it was still apparently possible for the yards to compete in the China market with European, Japanese, or American yards. In 1930 the nine yards turned out a total of 71 ships with a gross tonnage of 17,839, and an average tonnage of 240.²⁶ There were also about 30 smaller shipyards building Chinese-style wooden craft, from canal sampans to large coastal junks.²⁷

Among the other metal-using industries, the food canning and can-producing plants in Shanghai imported all of their tin plate, primarily from the United States.²⁸ China has significant deposits

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